

## **VIRGINIA HEALTH REFORM INITIATIVE**

### **ADVISORY COUNCIL**

#### **SUMMARY OF DISCUSSION OF AUGUST 21 MEETING ON DELIVERY AND PAYMENT REFORM**

##### **Draft Charge to Delivery and Payment Reform Task Force**

**In August, the Advisory Council established the following facts and shared judgments:**

1. We have built a health system we can no longer afford.
2. Fragmented care and payment systems are not serving most patients, payers, taxpayers, or providers very well.

**QUESTIONS the AC would like the Task Force to answer for the October meeting:**

1. Are we getting value for the dollars we are currently spending?
2. How can we best align incentives among patients, clinicians, and payers?
  - a. Note: If Mrs. Hazel could have been admitted upon first symptoms, whole episode might have been shorter and less stressful and less costly.
  - b. What are some specific ways to overcome barriers to incentive alignment?
3. What has worked elsewhere that we might adopt in Virginia?
  - a. Beacon Communities (ONC)
  - b. How Will We Do That (IHI)
4. What is driving our high cost levels and cost growth, i.e., what is “under the blanket” of high premium costs?
  - a. I would propose preparing a fairly detailed lit review memo, drawing on academic as well as consulting firm (McKinsey, Thompson-Reuters, etc) reports. Glad to do a first draft of this at Mason, but I defer if someone in DHHR or Joint Commission etc. already has, or if Kaine
5. What are the promising developments and pilots in this area going on in Virginia right now?
  - a. Will compile at Mason based on following leads:
    - i. Safety net medical home, per Steve Horan
    - ii. Collaborative learning networks, per Beth Sparks at MSV
    - iii. Insurer-led payment reform pilots (per Burke King and Doug Gray)

- iv. Carillion is participating in the Brookings-Dartmouth ACO collaborative (I will call Mark McClellan and Ed Murphy)
  - v. Bon Secours is participating in the Premier ACO collaborative (I will call Blair Childs and WHOM from Bon Secours?)
  - vi. AHRQ Quality Innovation Center (website, I will call Carolyn Clancy)
  - vii. Others? (DHHR???)
6. What are the best ways to accomplish patient engagement in delivery system reform?
- a. Consumer-Purchaser Disclosure Project, (and RWJF initiative), is jointly led by Pacific Business Group on Health and the National Partnership for Women and Families (I am an advisor to the project), and is focused on this, so I can pull some background here. Open to other initiatives you know about that aim to engender patient engagement. Chronic care management/medical home type projects? Need to decide if this domain includes value-based plan design in this Task Force's purview. I would suggest so. But while boundaries among task forces will have to be permeable in some cases, we will also have to decide who worries about what, and maybe which TFs may consider some specific issues together.
  - b. Obesity hurts the efficiency of the health care system. (Scott Burnett's example of extra care/personnel required).
7. Suggest a few metrics that should be standardized, measured, and reported by which Virginia should measure progress in delivery and payment reform?
8. What opportunities are in the new laws (ARRA and PPACA) that might help Virginia spread transformative care delivery and payment models?
- a. Is there a way for state policy to create a charter school-type framework of competition among communities and health systems for the achievement and rewards of system transformation?
9. Assess the relative importance of and alternative ways for Virginia to achieve:
- a. regulatory relief
  - b. malpractice relief
  - c. multi-payer payment reform
10. Consider end of life or advanced illness care.